

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

HARRAH'S ENTERTAINMENT, INC.
AND HARRAH'S OPERATING COMPANY, INC.
and
RIO HOTEL & CASINO, INC.

(Registration)

EIGHTH REVISED ORDERS OF REGISTRATION

THIS MATTER came on specially for hearing before the State Gaming Control Board ("Board") and regularly before the Nevada Gaming Commission ("Commission") on November 19, 1998, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The application of Harrah's Entertainment, Inc. and Harrah's Operating Company, Inc. for an amendment to their Seventh Revised Orders of Registration;

b. The application of Harrah's Entertainment, Inc. for approval of an acquisition of control of Rio Hotel & Casino, Inc. and for a finding of suitability as the sole shareholder of Rio Hotel & Casino, Inc.;

c. The application of Harrah's Operating Company, Inc. for approval of an acquisition of control of Rio Hotel & Casino, Inc. and for a finding of suitability as the sole shareholder of Rio Hotel & Casino, Inc.; and

d. The applications of Rio Hotel & Casino, Inc. for (i) approval of an amendment to the Parent Guarantor Security Agreement attached as Exhibit "L" to the Credit Agreement dated July 15, 1993, as amended by the Amended and Restated Parent Pledge and Security Agreement dated as of February 24, 1998 ("Pledge Agreement"); (ii) approval to pledge the common stock of Rio Leasing, Inc. to Bank of America National Trust and Savings Association, as Agent for the Banks pursuant to the Pledge Agreement; and (iii) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Rio Properties, Inc. and Rio Leasing, Inc. in conjunction with the Pledge Agreement and the Amended and Restated Credit Agreement dated February 24, 1998 ("Rio Credit Agreement").

2. THAT these Seventh Revised Orders of Registration of Harrah's Entertainment Inc. and Harrah's Operating Company, Inc., dated September 24, 1998, and the Fifth Revised Order of Registration of Rio Hotel and Casino, Inc. dated September 23, 1997 are hereby amended and restated, in their entirety, by these Eighth Revised Orders of Registration.

3. THAT Harrah's Entertainment, Inc. is registered as a publicly traded corporation, is found suitable as the sole shareholder of Harrah's Operating Company, Inc. and Rio Hotel & Casino, Inc. and is approved, pursuant to NGC Regulation 16.200, to acquire control of Rio Hotel & Casino, Inc. and Showboat, Inc.

4. THAT Harrah's Operating Company, Inc. is registered as a publicly traded corporation and is approved, pursuant to NGC Regulation 16.200, to acquire control of Rio Hotel & Casino, Inc. and Showboat, Inc.

5. THAT Harrah's Operating Company, Inc. is found suitable as the sole shareholder of Rio Hotel & Casino, Inc., Showboat, Inc., and Harrah's Las Vegas, Inc. and Harrah's Laughlin Inc.

6. THAT Harrah's Operating Company, Inc. is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

7. THAT Harrah's Operating Company, Inc., dba Harrah's Casino Hotel Reno, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 300 East 2nd Street, Reno, subject to such conditions or limitations as may be imposed by the Commission.

8. THAT Harrah's Operating Company, Inc., dba Harrah's Casino Hotel Lake Tahoe and dba Bill's Lake Tahoe Casino, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at Highway 50, Stateline, subject to such conditions or limitations as may be imposed by the Commission.

9. THAT Rio Hotel & Casino, Inc. is registered as a publicly traded corporation and is found suitable as the sole shareholder of Rio Properties, Inc. and Rio Leasing, Inc., subject to the provisions of Paragraph 22.

10. THAT Showboat, Inc. is registered as an intermediary company and is found suitable as the sole shareholder of Showboat Operating Company.

11. THAT Harrah's Las Vegas, Inc., dba Harrah's Casino Hotel Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3473 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

12. THAT Harrah's Laughlin, Inc., dba Harrah's Casino Hotel Laughlin, is licensed to conduct nonrestricted gaming operations, including a race book and sports pool, at 2900 South Casino Drive, Laughlin, subject to such conditions or limitations as may be imposed by the

Commission, and is licensed as a distributor, subject to such conditions or limitations as may be imposed by the Commission.

13. THAT Harrah's Laughlin, Inc., dba Harrah's RV Plaza/Convenience Center, is licensed to conduct restricted gaming operations at 2900 S. Casino Drive, Laughlin, Nevada, subject to such conditions or limitations as may be imposed by the Commission.

14. THAT Showboat Operating Company is licensed as a distributor and that Showboat Operating Company, dba Showboat Hotel, Casino and Bowling Center, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 2800 East Fremont, Las Vegas, subject to such conditions and limitation as may be imposed by the Commission.

15. THAT Rio Properties, Inc., dba Rio Suite Hotel & Casino, is licensed to conduct off-track pari-mutuel race and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3700 West Flamingo Road, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

16. THAT Rio Leasing, Inc. is licensed as a distributor, subject to such conditions or limitations as may be imposed by the Commission.

17. THAT in connection with the Five Year Credit Agreement dated as of July 22, 1993 and Amended and Restated as of June 9, 1995 and further Amended and Restated as of April 1, 1998 and the 364 Day Credit Agreement dated as of June 9, 1995 and Amended and Restated as of April 1, 1998 (the "Credit Agreements"), Harrah's Operating Company, Inc. is granted approval pursuant to NGC Regulations 15.510.1-4(a) and 15.585.7-3, as applicable, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Showboat, Inc., Harrah's Las Vegas, Inc. and Harrah's Laughlin, Inc.

18. THAT in connection with the Credit Agreements, Showboat, Inc. is hereby granted approval, pursuant to NGC Regulation 15.510.1-4(a), to place restrictions upon the

transfer of, and to enter into agreements not to encumber, the equity securities of Showboat Operating Company.

19. THAT Rio Hotel & Casino, Inc. is granted approval, pursuant to NRS 463.510(1), to pledge the common stock of Rio Properties, Inc. and Rio Leasing, Inc. to Bank of America National Trust and Savings Association, as Agent for the Banks pursuant to the Pledge Agreement provided that: (a) the prior approval of the Commission must be obtained before any foreclosure or transfer of the possessory security interests in such common stock (except back to Rio Hotel & Casino, Inc.) and before any other resort to such common stock collateral or other enforcement of the security interest in such common stock may occur; and (b) pursuant to NGC Regulations 15.510.1-3 and 8.030(4)(a), the common stock certificate(s) of Rio Properties, Inc. and Rio Leasing, Inc. evidencing said pledges of common stock must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by employees of the Board immediately upon request during normal business hours.

20. THAT the Pledge Agreement shall not be amended without the prior administrative approval of the Chairman of the Board, or his designee. Such administrative approval may not be granted regarding amendments to the Pledge Agreement that increase the number of shares of common stock that are the subject of the pledge, or that change the identity of the Agent.

21. THAT Rio Hotel & Casino, Inc. is granted approval, pursuant to Regulation 15.510.1-4, to place restrictions upon the transfer of, and enter into agreements not to encumber, the equity securities of Rio Properties, Inc. and Rio Leasing, Inc. in conjunction with the Pledge Agreement and the Rio Credit Agreement.

22. THAT if the acquisition of control of Rio Hotel & Casino, Inc. has not occurred by January 15, 1999, unless administratively approved by the Chairman of the Board or his designee, then the provisions of Paragraphs 3 and 5 with respect to the reference to Rio Hotel &

Casino, Inc., and the provisions of Paragraph 9, 15, 16 and 19 shall be rendered null and void and shall not become effective and the remainder of these Eighth Revised Orders of Registration shall remain effective.

23. THAT Harrah's Entertainment, Inc. shall maintain its presently existing compliance system for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by Harrah's Entertainment, Inc., its subsidiaries and any affiliated entities, with the Nevada Gaming control Act (the "Act"), as amended, the Commission's Regulations, as amended (the "Regulations"), and the laws and regulations of any other jurisdictions in which Harrah's Entertainment, Inc., its subsidiaries and any affiliated entities operate. The compliance system, any amendments thereto, and the members, one such member which shall be independent, shall be administratively reviewed and approved by the Chairman of the Board, or his designee, Harrah's Entertainment, Inc., shall amend the compliance system, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board, or his designee related to a review of activities relevant to the continuing qualification of Harrah's Entertainment, Inc. under the provisions of the Act and Regulations.

24. THAT Harrah's Entertainment, Inc. is hereby exempted from compliance with NGC Regulation 15 and shall instead comply with NGC Regulation 16.

25. THAT Harrah's Operating Company, Inc. is hereby exempted from compliance with NGC Regulation 15 except for the provisions of NGC Regulations 15.585.4-1 and 15.585.7-6 and shall instead comply with NGC Regulation 16, except Harrah's Operating Company, Inc. is exempted, pursuant to NGC Regulation 16.450, from NGC Regulation 16.100(1) and (2); provided that, Harrah's Entertainment, Inc. shall not sell, assign, transfer, pledge or otherwise dispose of any equity securities of Harrah's Operating Company, Inc. without the prior approval of the Commission.

26. THAT Rio Hotel & Casino, Inc. is hereby exempted from compliance with NGC Regulation 15 except for the provisions of NGC Regulations 15.585.4-1 and 15.585.7-6 and shall instead comply with NGC Regulation 16; provided that, Harrah's Operating Company, Inc. shall not sell, assign, transfer, pledge or otherwise dispose of any equity securities of Rio Hotel & Casino, Inc. without the prior approval of the Commission.

27. THAT Harrah's Entertainment, Inc. shall fund and maintain with the Board a revolving fund in the total amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board or its staff in the surveillance, monitoring and investigative reviews of all activities, of Harrah's Entertainment, Inc., its direct and indirect subsidiaries, and their affiliated entities.

28. THAT the Commission hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

ENTERED at Las Vegas, Nevada, this 19th day of November 1998.